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# SENATE BILL No. 514

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.1-4.7.

**Synopsis:** Property tax abatements. Exempts certain manufacturing equipment and research and development equipment located in Kokomo and receiving a property tax abatement from a provision that denies the abatement in the first year of the abatement period if the abatement would cause the property owner's assessed value located in the city to be less than it was in the previous year. Updates population parameters to reflect changes in the 2000 decennial census.

**Effective:** July 1, 2002.

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## Johnson

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January 14, 2002, read first time and referred to Committee on Finance.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## SENATE BILL No. 514

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-12.1-4.7, AS AMENDED BY P.L.205-2001,  
2       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2002]: Sec. 4.7. (a) Section 4.5(f) of this chapter does not  
4       apply to new manufacturing equipment located in a township that:

5               (1) has a population of more than ~~three thousand five hundred~~  
6               ~~(3,500)~~ **four thousand (4,000)** but less than ~~four thousand three~~  
7               ~~hundred (4,300);~~ **seven thousand (7,000);** and

8               (2) is located in a county having a population of more than  
9               ~~thirty-five thousand (35,000)~~ **forty thousand (40,000)** but less  
10              than ~~thirty-seven thousand (37,000);~~ **forty thousand nine**  
11              **hundred (40,900);**

12       if the total original cost of all new manufacturing equipment placed  
13       into service by the owner during the preceding sixty (60) months  
14       exceeds fifty million dollars (\$50,000,000), and if the economic  
15       revitalization area in which the new manufacturing equipment was  
16       installed was approved by the designating body before September 1,  
17       1994.



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(b) Section 4.5(f) of this chapter does not apply to new manufacturing equipment located in a county having a population of more than ~~thirty-one thousand five hundred (31,500)~~ **thirty-two thousand (32,000)** but less than ~~thirty-two thousand (32,000)~~ **thirty-three thousand (33,000)** if:

(1) the total original cost of all new manufacturing equipment placed into service in the county by the owner exceeds five hundred million dollars (\$500,000,000); and

(2) the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before January 1, 2001.

(c) A deduction under section 4.5(d) of this chapter is not allowed with respect to new manufacturing equipment described in subsection (b) in the first year the deduction is claimed or in subsequent years as permitted by section 4.5(d) of this chapter to the extent the deduction would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(d) The following apply for purposes of subsection (c):

(1) A deduction under section 4.5(d) of this chapter shall be disallowed only with respect to new manufacturing equipment installed after March 1, 2000.

(2) "Incremental net assessed value" means the sum of:

(A) the net assessed value of real property and depreciable personal property from which property tax revenues are required to be held in trust and pledged for the benefit of the owners of bonds issued by the redevelopment commission of a county described in subsection (b) under resolutions adopted November 16, 1998, and July 13, 2000 (as amended November 27, 2000); plus

(B) fifty-four million four hundred eighty-one thousand seven hundred seventy dollars (\$54,481,770).

(3) The assessed value of real property and personal property of the owner shall be determined after the deductions provided by sections 3 and 4.5 of this chapter.

(4) The personal property of the owner shall include inventory.

(5) The amount of deductions provided by section 4.5 of this chapter with respect to new manufacturing equipment that was installed on or before March 1, 2000, shall be increased from thirty-three and one-third percent (33 1/3%) of true tax value to one hundred percent (100%) of true tax value for assessment dates after February 28, 2001.

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(e) A deduction not fully allowed under subsection (c) in the first year the deduction is claimed or in a subsequent year permitted by section 4.5 of this chapter shall be carried over and allowed as a deduction in succeeding years. A deduction that is carried over to a year but is not allowed in that year under this subsection shall be carried over and allowed as a deduction in succeeding years. The following apply for purposes of this subsection:

(1) A deduction that is carried over to a succeeding year is not allowed in that year to the extent that the deduction, together with:

(A) deductions otherwise allowed under section 3 of this chapter;

(B) deductions otherwise allowed under section 4.5 of this chapter; and

(C) other deductions carried over to the year under this subsection;

would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(2) Each time a deduction is carried over to a succeeding year, the deduction shall be reduced by the amount of the deduction that was allowed in the immediately preceding year.

(3) A deduction may not be carried over to a succeeding year under this subsection if such year is after the period specified in section 4.5(d) of this chapter or the period specified in a resolution adopted by the designating body under section 4.5(h) of this chapter.

**(f) Section 4.5(f) of this chapter does not apply to new manufacturing equipment or to new research and development equipment located in a city having a population of more than forty-six thousand (46,000) but less than forty-six thousand five hundred (46,500) located in a county having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) if:**

**(1) the new manufacturing equipment or the new research and development equipment is used primarily to produce or develop electronics related products;**

**(2) the total original cost of all new manufacturing equipment and all new research and development equipment placed into service in the county by the property owner exceeds fifty million dollars (\$50,000,000); and**

**(3) the economic revitalization area in which the new**



- 1 manufacturing equipment or the new research and
- 2 development equipment was installed and was approved by
- 3 the designating body before January 1, 2003.

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